

WASHINGTON, DC –Today, Rep. Peter DeFazio (D-OR) applauded the passage of a temporary one-year extension of vital Secure Rural Schools Payments included in surface transportation legislation. As a primary negotiator, DeFazio fought to include the temporary extension of county payments for Oregon counties in the legislation. The legislation also prevents Stafford student loan interest rates from doubling for over 7.5 million students, including 120,000 students in Oregon.

DeFazio statement is below:

“The passage of a transportation bill is a huge victory for tens of thousands of Oregonians.

“First and foremost, it contains a one-year extension of county payments. That’s \$100 million to counties in southwest Oregon and rural schools, to help them deal with their financial difficulties. This means counties may be able to restore critical services like jail beds and sheriff’s patrols.

“Secondly, the bill contained one year of lower interest rates for 120,000 students in Oregon who are getting Stafford student loans. Without this fix, their interest rates would double on July 1st. We have staved off that disaster and I’ve introduced a bill to make their lower interest rates permanent.

“And finally the jobs. Millions of jobs across the country will be created or saved because of this 27 month surface transportation bill. It means a tremendous investment in Oregon’s roads, bridges, highways, and transit systems. At home, it means thousands of people will be put to work and it helps small businesses that supply the industry. This bill also contains the same formula I negotiated six years ago in the last major transportation bill that means Oregon will be a net-beneficiary. That means we will get more dollars to fix our roads, bridges, and highways than we send to Washington, D.C. through the gas tax.

“All in all, this is great news just in time to celebrate our nation’s birthday on the 4th of July.”

BACKGROUND

COUNTY PAYMENTS

In March, the Senate attached a one-year extension of Secure Rural Schools funding for forested counties nationwide to its two-year transportation bill (S 1813), Moving Ahead for Progress in the 21st Century (MAP-21). On April 18th, the House passed the Surface Transportation Extension Act of 2012, Part II (H.R. 4348). This 90-day extension of the surface transportation programs through September 30, 2012, is the legislative vehicle the House used to conference with the Senate.

Last fall, DeFazio, Walden, and Schrader worked with stakeholders to reach a bipartisan agreement on a long-term plan for the O&C counties. Since then, they've been working with the House Resources Committee to integrate the provisions of their proposal into larger committee legislation. Currently, House Resources is working out the details of the larger bill. A discussion draft was posted to the member's websites in February where constituents can send feedback and suggest changes to the draft.

STUDENT LOANS

The Stafford Subsidized Loan interest rate was set to increase from 3.4% to 6.8% on July 1st. This would have affected all future borrowers and current students that take out new loans for the upcoming academic year.

In May, DeFazio introduced legislation that would permanently keep interest rates low for students without increasing the federal deficit. His legislation increases the tax rate by 1 percent on income above \$380,000 which is still far below the Clinton tax levels and far exceeds the revenue needed to permanently lock in low interest rates for students

According to the Oregon University System, college tuition at Oregon's four year institutions has increased by nearly 50% over the last 10 years. Tuition has skyrocketed and students have taken on bigger and more expensive loans to get their degree. In 2010-2011 Stafford loans

made up 35% or \$40 billion of the total student loan market. Cost of college tuition has increased five- fold since 1985 and for the first time ever student loan debt tops credit card debt, exceeding \$1 trillion.

TRANSPORTATION

In the transportation bill passed today, Oregon will receive a total of \$483.2 million in federal-aid highway funds in FY 2013 and \$487.4 million in FY 2014 for highways. Oregon will also receive \$93.6 million in transit formula funding in FY 2013 and \$94.9 million in FY 2014.

The funding formulas in this federal transportation reauthorization bill are based on the formulas from Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU). During the 2006 SAFETEA-LU negotiations, DeFazio was able to boost Oregon's formula funds over previous bills. This significantly increased Oregon's share of federal highway dollars and turned the state from being a *donor* state to a *donee* state.

According to the U.S. Department of Transportation, every billion dollars invested in transportation infrastructure creates or sustains over 34,000 jobs and produces \$6.2 billion in economic activity.

Audio clip available here: [6.29.12 DeFazio on passage of jobs bill, county payments extension, student loan fix](#) or visit http://defazio.house.gov/index.php?option=com_content&view=article&id=244&Itemid=77